employment negligently damaged the car in a collision. *Held*, that the defendant is liable. *Southern Garage Co.* v. *Brown*, 65 So. 400 (Ala.).

Under a contract of bailment which contains no special provision concerning the care required of the bailee, it is well settled that he need exercise only ordinary care, and if he has exercised such care, he is not liable for injury done by a third person. *Russell* v. *Koehler*, 66 Ill. 459. Injury done by a servant acting outside the scope of his employment would seem to be analogous to injury done by a third person. In cases where the act of the employee is criminal, such as the embezzlement of a special deposit by the cashier of a bank, the law is clear that the bailee is not liable. *Foster* v. *Essex Bank*, 17 Mass. 478. The principal case does not seem properly distinguishable from this class of cases and it must be regarded as wrong. It is also opposed to authority, as the opposite result has been reached both in this country and in England in earlier cases. *Evans* v. *A. L. Dyke Automobile Supply Co.*, 121 Mo. App. 266, 101 S. W. 1132; *Sanderson* v. *Collins*, [1904] 1 K. B. 628.

BILLS AND NOTES — DEFENSES — EXTENSION OF TIME TO PRINCIPAL JOINT MAKER — NEGOTIABLE INSTRUMENTS LAW. — The defendant signed a joint note as surety for his co-maker. The payee knew of the suretyship relation, but made a binding contract with the principal maker, extending the time of payment, without the knowledge of the defendant, and now sues him. *Held*, that the plaintiff may recover. *Cowan* v. *Ramsey*, 140 Pac. 501 (Ariz.).

A surety co-maker will be discharged, at common law, by a binding extension of time given the principal debtor by a holder with notice of the suretyship relation. *Pooley* v. *Harradine*, 7 E. & B. 431; *Horne* v. *Bodwell*, 5 Gray (Mass.) 457. The principal case decides that the Uniform Negotiable Instruments Law abrogates this rule and permits recovery against the surety. Section 120 of the act enumerates the different modes of discharging a party secondarily liable, including the case of extension of time to the principal debtor. But it is obvious that a surety co-maker, being "by the terms of the instrument absolutely required to pay the same," is primarily liable under section 192. Section 119 gives five ways of discharging the instrument without mentioning discharge by extension of time to the principal. It is argued, therefore, in the principal case that since the provision as to discharge by extension of time is included in the section dealing with the discharge of parties secondarily liable, and omitted from the section as to the discharge of the instrument, and hence parties primarily liable, the legislative intent was not to discharge parties primarily liable in this manner. *Union Trust Co.* v. *McGinty*, 212 Mass. 205, 98 N. E. 679; *Cellers* v. *Meachem*, 49 Ore. 186, 89 Pac. 426. Such an inference would not seem necessary, however, since section 119 deals not with the discharge of parties to the instrument, but with the discharge of the instrument itself, and the discharge of the surety co-maker would not be a discharge of the instrument. Hence the omission of the provision as to extension of time would have no significance. By section 196, cases not provided for by the Negotiable Instruments Law are governed by the law merchant. The ordinary rules of suretyship would, therefore, apply to the principal case and the surety co-maker should be discharged by the extension of time. This result seems permissible by a fair construction of the statute, and would avoid overthrowing the established law of suretyship. *Farmers' Bank of Wickliffe* v. *Wickliffe*, 134 Ky. 627, 121 S. W. 498. See BRANNAN, NEGOTIABLE INSTRUMENTS LAW, p. 117.

BILLS AND NOTES — PAYMENT AND DISCHARGE — PAYMENT BY ANOMALOUS INDORSER. — The plaintiff indorsed the defendant's note for the accommodation of the payee, in ignorance of an equity in favor of the defendant.

At maturity the defendant refused payment, whereupon the plaintiff took up the note from a holder in due course, and sued the maker. The Uniform Negotiable Instruments Law, section 121, provides that, "where the instrument is paid by a party secondarily liable thereon, it is not discharged; but the party so paying it is remitted to his former rights as regards all prior parties." *Held*, that the plaintiff can recover on the note, and that section 121 of the Uniform Negotiable Instruments Law does not apply. *Lill* v. *Gleason*, 142 Pac. 287 (Kan.).

At common law an anomalous indorser who took up an instrument at maturity acquired all the rights of the party from whom he took. *Breckenridge* v. *Lewis*, 84 Me. 349, 24 Atl. 864; *Moynihan* v. *M'Keon*, 16 N. Y. Misc. 343, 38 N. Y. Supp. 61; *Andrews* v. *Meadow*, 133 Ala. 442, 31 So. 971. Literally, this situation now seems to be controlled by section 121 of the Uniform Negotiable Instruments Law. If this section is applicable, the anomalous indorser having had no rights on the instrument to which he could be remitted, would be unable to recover thereon. Such a result has been reached. *Quimby* v. *Varnum*, 190 Mass. 211, 76 N. E. 671. See *Noble* v. *Beeman, etc. Co.*, 65 Ore. 93, 107; 131 Pac. 1006, 1012. In both instances, however, the courts denied that they were applying section 121. The first decision, it is submitted, was warped by the exceptional Massachusetts doctrine, that an anomalous indorser was to be regarded as a co-maker, although this rule had already been abrogated by the adoption of the Negotiable Instruments Law. *Cf. Pray* v. *Maine*, 7 Cush. (Mass.) 253. In the principal case the provision for remitter to former rights in section 121 was construed, according to its obvious intention, as applicable only when the party secondarily liable had been himself connected with the title of the instrument. This interpretation reaches the proper result and its general adoption would accomplish uniformity without the necessity of amendment.

Bills and Notes — Purchasers for Value without Notice — Purchaser with Notice from Innocent Pledgee. — The plaintiff purchased from an innocent pledgee for value a note given in violation of the Small Loans Act. He bought the note for less than its face value and with notice of the defense, and now sues the maker on the instrument. *Held*, that he may recover the full amount of the note. *Burnes* v. *New Mineral Fertilizer Co.*, 105 N. E. 1074 (Mass.).

It is agreed that at common law, in order to avoid circuity of action, the *bonâ fide* pledgee of a note to which the maker has a defense can recover only the amount of his loan. *Stoddard* v. *Kimball*, 6 Cush. (Mass.) 469; *Yellowstone National Bank* v. *Gagnon*, 19 Mont. 402, 48 Pac. 762. See 11 Harv. L. Rev. 194. But the rights of the transferee with notice from such a pledgee are not clear on authority. When the pledgor pledges his own notes, the purchaser from the pledgee with notice of the pledge is usually allowed recovery for only the amount of the pledge debt. *Peacock* v. *Phillips*, 155 Ill. App. 514. *Contra, In re Trust Estate of Woods, Weeks, & Co.*, 52 Md. 520. The purchaser's rights are likewise limited against an accommodation indorser of the pledgor's note. *Berkeley* v. *Tinsley*, 88 Va. 1001, 14 S. E. 842. *Cf. Security Bank* v. *Kingsland*, 5 N. D. 263, 65 N. W. 697. See Colebrooke, Collateral Securities, § 181. Logically, the principal case seems indistinguishable from the situation where the pledgor pledges his own notes. The purchaser derives his only rights from the pledgee and should be limited to the pledgee's rights. The principal case must be supported, if at all, on the ground that the saleability of the pledgee's security should not be impaired by such a limitation on his power of sale. Under the Negotiable Instruments Law, by section 27 a pledgee is made a holder for value only "to the extent of his lien," and the purchaser in this case is not a holder in due course in his own right within